



City of Las Vegas, Nevada

Substantial Amendment to Third Program Year Action Plan 2008–2009

For the Period ~ December 1, 2008 – June 30, 2013

Housing and Economic Recovery Act of 2008

Neighborhood Stabilization Plan

December 1, 2008



*Prepared and Submitted by the city of Las Vegas,
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Executive Summary

Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA) appropriated \$3.92 billion nation wide for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties and provides under a rule of construction that, unless HERA states otherwise, the grant is to be considered Community Development Block Grant (CDBG) funds. This grant program is referred to as the Neighborhood Stabilization Program (NSP). The program contains alternative requirements to provisions under Title I of the Housing and Community Development Act as authorized through the Secretary of HUD to expedite the use of the NSP funds.

The NSP funds must be used within neighborhoods that have the greatest need; specifically those identified as having the highest percentage of home foreclosures, pre-foreclosures and the highest percentage of subprime loans. The funds may only be used to acquire residential properties that have been abandoned or are foreclosed upon and are located within a targeted neighborhood of greatest need. The program may be used to assist households earning up to 120% of Area Median Income (AMI) with 25% of the total allocation reserved to assist households earning at or below 50% AMI. The NSP funds may not be used to provide rental assistance or foreclosure prevention. Properties acquired through the NSP must be purchased at an aggregate 15% discount from current appraised value. The City has been working with Fannie Mae and has obtained from them a list of marketable, foreclosed homes in our targeted zip codes with a commitment for the 15% discount. All NSP funds must be obligated within 18 months from the time the City contracts with HUD and fully expended by June 30, 2013.

In order to receive the **\$14,775,270** allocation from HUD through the NSP, the City of Las Vegas must submit a Substantial Amendment to its Fiscal Year 2008-2009 Action Plan. This Substantial Amendment presents the housing activities which will be undertaken by the City through an approved contract with HUD and utilizing **\$5,920,349** from the State of Nevada for the NSP program. The goal of the housing activities is to make our community's neighborhoods more stable, sustainable, and competitive and to integrate them into the overall community with consideration for transportation, affordable housing, services and employment centers to the greatest extent possible under the implementation rules of the NSP.

City of Las Vegas Available Resources

Neighborhood Stabilization Program	<u>\$14,775,270</u>
State Housing Division Direct Allocation	<u>\$3,920,349</u>
State Housing Division Pilot Program	<u>\$2,000,000</u>
Total NSP Allocations to City of Las Vegas	<u>\$20,695,619</u>

The City will utilize other federal and non-federal funding sources such as American Dream Downpayment Initiative (ADDI) or RDA 18% Set-Aside to leverage NSP funds where applicable. These other federal and non-federal funding sources can only be used to serve households earning 80% of AMI and have regulations that are more restrictive than the NSP. In addition, as part of the City's efforts to support long term affordable housing; the city will consider transferring abandoned and foreclosed upon homes acquired with NSP funds to the Community Land Trust (CLT) for long term affordable housing opportunities.

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Affordable Housing Objectives and Outcomes

Program	Budget	Objective	Outcome
Homebuyer Assistance	\$7,349,459	Home ownership for households earning up to 120% AMI	Assist 245 households purchase a home
Lease to Own	\$5,349,456	Home ownership for households earning up to 120% AMI	Provide 27 households with affordable housing and opportunity to purchase a home
Scattered Site Housing	\$5,193,817	Affordable rental housing for households earning at or below 50% AMI and formerly homeless persons who have completed case management and are capable of paying rent.	Acquire and maintain 26 homes to operate affordable rental program
Professional Services	\$1,000,000	Secure professional services such as certified appraisers, housing and credit counselors, real estate brokers and property managers	Comply with the program rules under the Housing and Economic Recovery Act of 2008 for the NSP.
Administrative	\$1,802,887	Funding for salaries, supplies and equipment required to administer the NSP program activities	Successfully administer all NSP activities and provide affordable housing for households earning up to 120% AMI
Total	\$20,695,619		

Geographic Area of the City of Las Vegas

For geographic information about the City, please reference the Consolidated Plan and City of Las Vegas Community Profile publication which may be downloaded from the City of Las Vegas web site at <http://major.lasvegasnevada.gov/website/clvcamps/viewer.htm>

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A. Areas of Greatest Need

Summary needs data identifying the geographic areas of greatest need in Las Vegas

- ❖ The greatest number and percentage of foreclosed homes within the City of Las Vegas occurs in the following Zip Codes: **89108, 89110, 89131, 89129, 89128, 89117**

Zip Code	Foreclosed	Percent foreclosed Homes
89108	1,743	11%
89110	1,580	10%
89131	1,515	11%
89129	1,154	7%
89128	1,093	11%
89117	1,035	8%
October 20, 2008 Realtytrac.com		

- ❖ The highest number and percentage of homes in pre-foreclosure are located in the following Zip Codes: **89101, 89104, 89107**

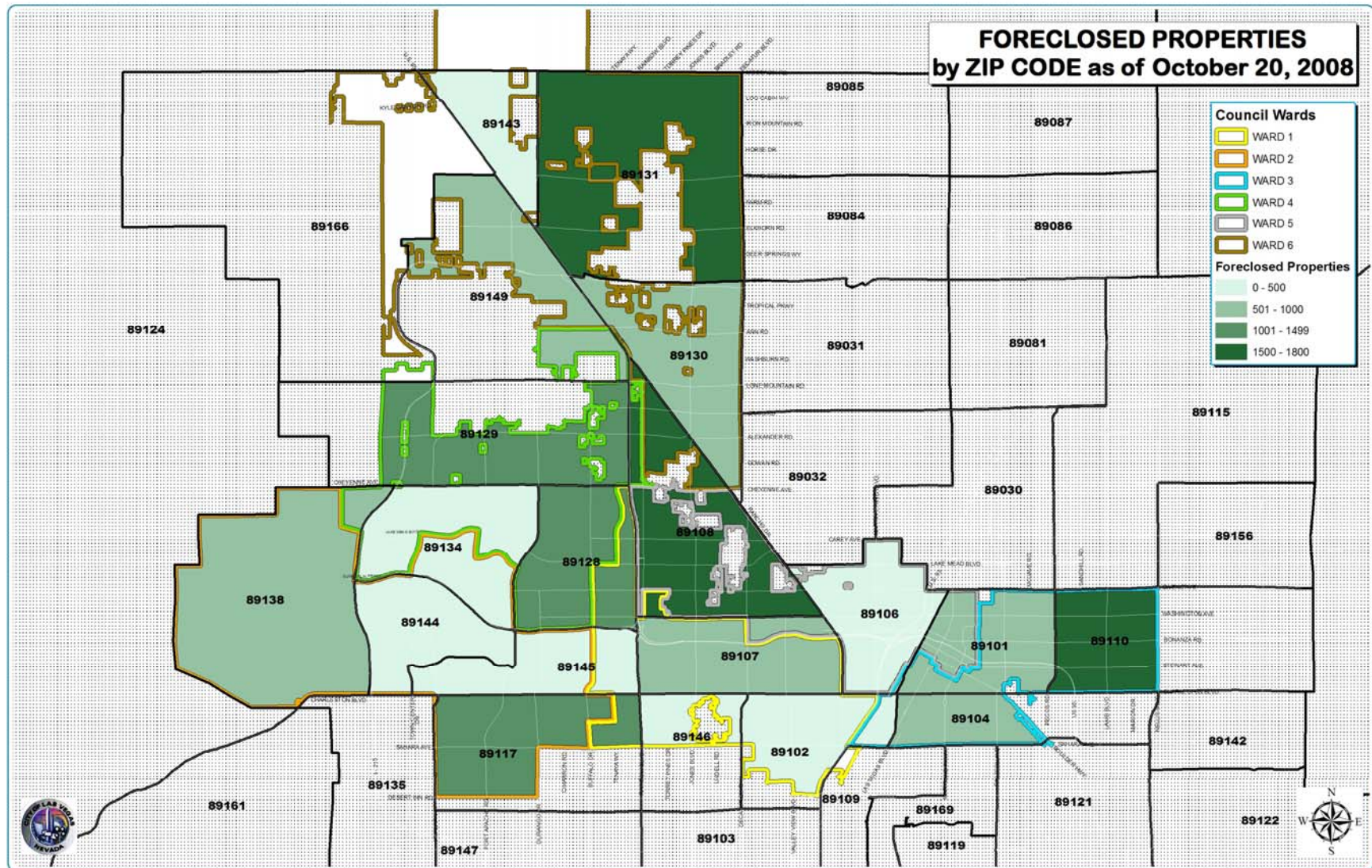
Zip Code	Pre-Foreclosures	Percent
89101	404	10%
89104	519	7%
89107	515	5%
HUD HMDA High Cost Loan Data		

- ❖ The highest number and percentage of homes financed by high cost subprime mortgages within the City of Las Vegas occurs in the following Zip Codes: **89101, 89107**

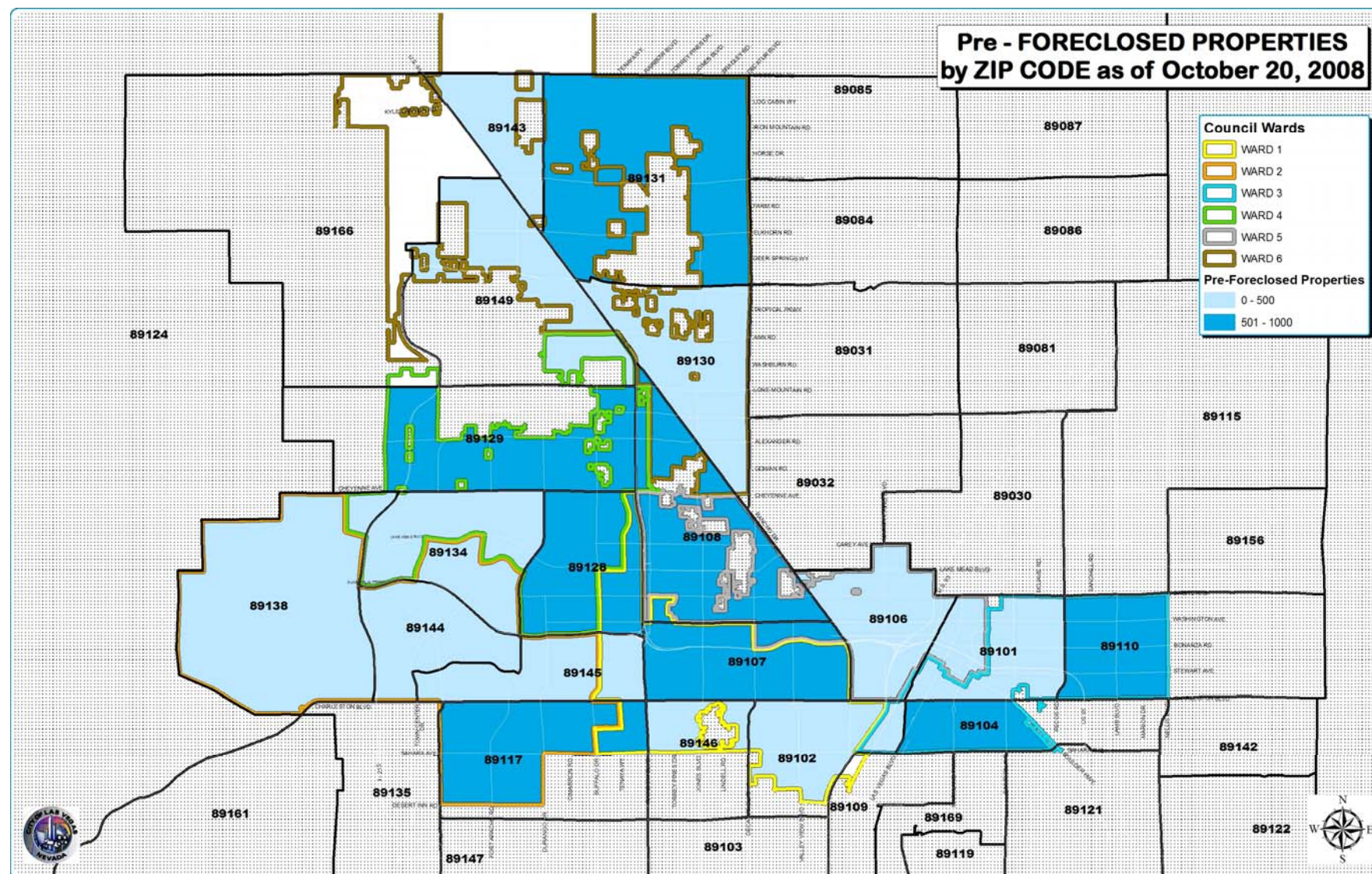
Zip Code	Number	Percent High Cost Loans
89101	1,000 +	Exceed 40%
89107	1,000 +	Exceed 40%
HUD HMDA High Cost Loan Data		

In addition to the Zip Codes already impacted by a high number and percentage of foreclosed homes; it is anticipated that neighborhoods located within the **89101, 89104, and 89107** Zip Codes are also likely to face a significant rise in the rate of home foreclosures

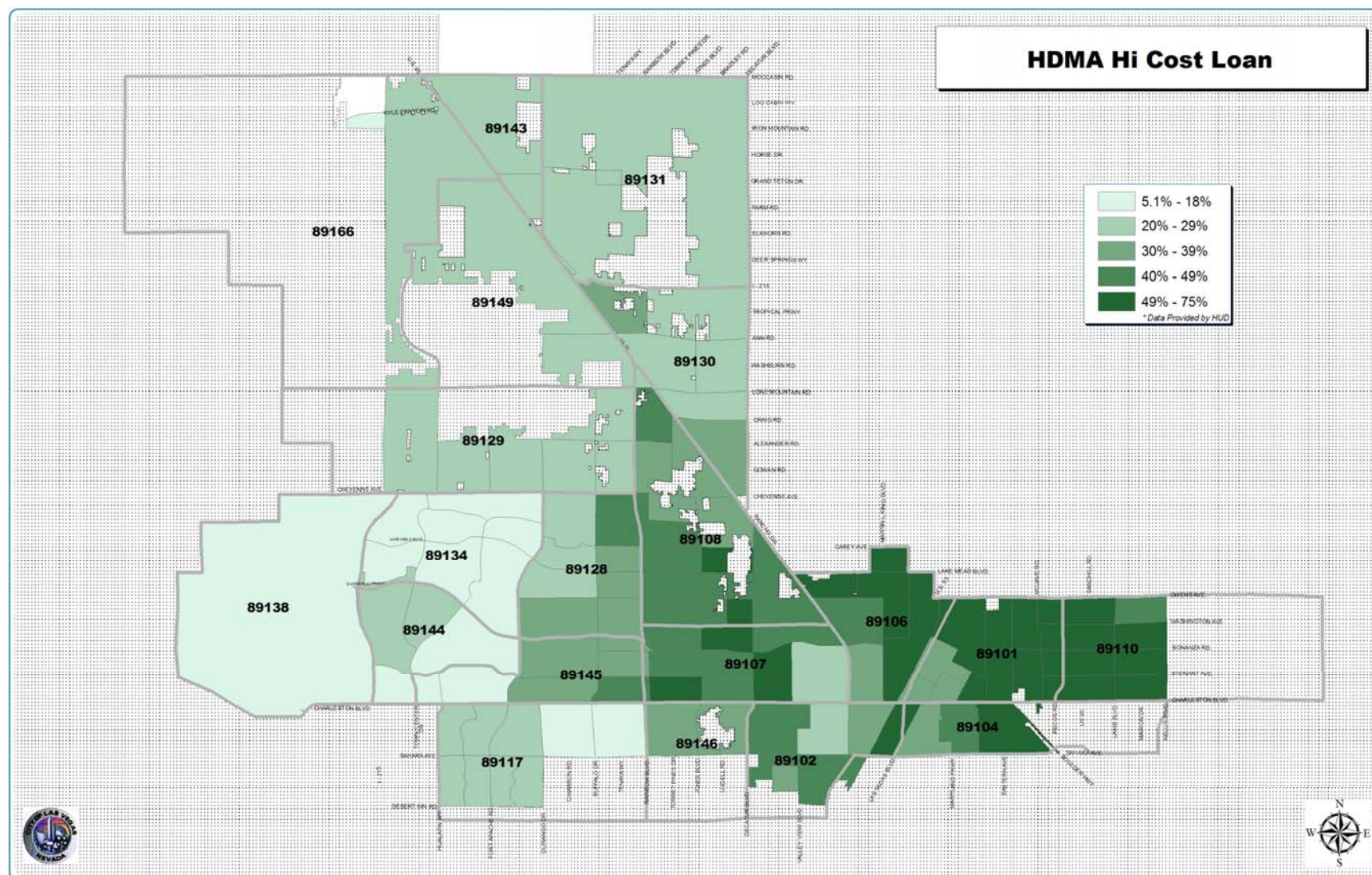
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B. Distribution and Uses of Funds

Narrative describing how the distribution and uses of NSP funds will meet the requirements of Section 2301 (c)(2) of HERA that funds be distributed to the areas of greatest need.

The City has gathered data from several sources indicating the highest number of foreclosures, pre-foreclosures and high cost loans by Zip Code. To date, the highest number of foreclosures exists in the **89108, 89110, 89131, 89129, 89128, and 89117**, and zip codes. In addition, Neighborhood Planners have conducted site surveys of the neighborhoods within these target zip codes to assess the general condition of abandoned and foreclosed properties. Neighborhoods located within the **89101, 89104 and 89107** Zip Codes are likely to face a significant rise in the rate of home foreclosures based on the number of pre-foreclosures and high cost loans with pending interest rate resets. Therefore, these Zip Codes are also considered to be future areas of greatest need that may benefit from the operation of NSP funded programs. As a result of the data and survey information, the city will implement the following strategies for the distribution and use of NSP funds.

The intent of the Neighborhood Stabilization Plan is to address the negative impacts of abandoned and foreclosed properties on communities with the greatest need as determined by the number and rate of foreclosed residential properties as well as those neighborhoods likely to face an increase in foreclosures. The value of residential properties has dropped over 30% in Las Vegas and will continue this downward trend as the condition of abandoned and foreclosed homes deteriorates due to neglect and vandalism. The foreclosure issue has a tremendous impact on the economy as the tax base is supported in part by property taxes, which will be reduced in conjunction with lower property values. Homeowners' Associations cannot collect monthly HOA dues from foreclosed homes and in turn are unable to financially support the maintenance of their streets and neighborhood amenities resulting in further deterioration of the community. Furthermore, some HOA's are experiencing bankruptcy and looking to the cities to take over maintenance of private streets, parks and other infrastructure. Therefore, the NSP requires cities to develop programs that will reduce the number of abandoned and vacant homes from our existing housing stock rather than constructing more housing in an already saturated market.

Neighborhood Stabilization Program (NSP) Allocation to Serve Households earning at or below 50% of Area Median Income (Minimum 25% Requirement)

- ❖ Scattered Site Housing for Low Income – 50% AMI **[26 Households]**
The City will partner with a non-profit and/or a public agency through a Request For Proposal process to purchase approximately **26** abandoned or foreclosed homes at an aggregate 15% discount from current appraised value scattered within the targeted zip codes. The City will retain ownership of these homes and contract with a non-profit and/or public agency to manage and operate the homes as affordable rental housing for persons and families earning at or below 50% AMI. The selected agency or agencies will use the housing units to serve persons who are not prepared for homeownership, but are capable of paying rent including previously homeless persons who have completed case management and progressed toward self sufficiency. The program income derived from the rent revenue will be used to maintain the properties and pay the management fee to the selected agency or agencies. These homes will be maintained in the City's affordable rental housing stock for a period of 15 years.

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Neighborhood Stabilization Program (NSP) Allocation to Serve Households earning at or below 120% of Area Median Income

- ❖ Homebuyer Assistance Program – 120% AMI [245 Households]
The City will provide NSP funding to non-profit sub-recipients selected through a Request for Proposal (RFP) process to administer a homebuyer assistance program assisting persons earning up to 120% AMI to purchase an abandoned or foreclosed home in any one of the targeted zip codes. This program will allow for mortgage buy down and/or down payment and/or closing cost assistance not to exceed \$50,000 although it is anticipated that on average households will only need \$30,000 of assistance. The selected sub-recipients will be required to provide a minimum of 8 hours of housing counseling through a HUD certified housing counselor. The City will assist up to **245** qualified households in obtaining home ownership over an 18 month period. Any funds not used in a timely manner for this program will be allocated to the Lease to Own or Scattered Site Housing programs.
- ❖ Lease to Own Program – 120% AMI [27 Households]
This program will assist qualified households earning up to 120% AMI with credit problems that prevent them from securing a mortgage. The City will purchase abandoned or foreclosed homes and provide NSP funds to non-profit sub-recipients selected through a Request for Proposal (RFP) process to operate and manage the Lease to Own program. An individual or family will be able to lease a home for up to 4 years while they correct their personal finances. This will allow families to qualify for a loan to purchase the home at a price equal to or less than the cost to acquire and rehabilitate the home including sales and closing costs. At an estimated average purchase price of \$200,000 per house (median re-sale home price is \$210,000) including the 15 % discount and rehabilitation costs at approximately 5% of the home value; the city plans to facilitate the purchase of approximately **27** abandoned or foreclosed homes for this program. The city may transfer properties acquired for the Lease to Own program to a City sponsored Community Land Trust in an effort to leverage NSP funds to secure long term affordable housing. Any funds not used in a timely manner for this program will be allocated to the Homebuyer Assistance or Scattered Site Housing programs.
- ❖ Partnerships to secure Professional Services and Non-Profit Assistance – 120% AMI
A portion of the funds would be used to leverage with neighboring jurisdictions to secure professional services (i.e., appraisals, housing & credit counselors, building inspectors, real estate brokers and property management) to assist with satisfying the rules and regulations associated with HERA. The City must obtain an appraisal of any abandoned or foreclosed property it proposes to purchase from a certified appraiser. The appraisal may not be more than 60 days old at the time of purchase. In order to comply with this requirement, it may be necessary to contract with a certified appraiser to render these services in a timely manner. In order to comply with the requirement that qualified homebuyers receive at least 8 hours of housing counseling from a HUD certified housing counselor; the city will provide funding to qualified agencies to hire or contract with housing counselors. The existing non-profits providing housing counseling and homebuyer services in the Las Vegas Valley do not have the capacity to meet the current demand of all local jurisdictions to distribute the NSP funds. Any funds not used in a timely manner for professional services will be allocated towards the Homebuyer Assistance or Lease to Own or Scattered Site Housing Programs.

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C. Definitions and Descriptions

- ❖ **Definition of Blighted Structure:**
Blighted structures shall be considered structures that have less than 51% structural integrity or constitute a public/chronic nuisance.
- ❖ **Definition of Affordable Rents:** Rental rates for affordable rental housing shall not exceed 30% of the adjusted household income for households earning 120% of the Area Median Income (AMI) and households earning 50% AMI as adjusted for family size. Households earning 120% AMI shall be measured as 2.4 times the current Section 8 income limit for households below 50% AMI as adjusted for family size (see table 1).
- ❖ **Continued Affordability:** Housing stock acquired for the purpose of providing affordable rental housing to persons earning at or below 120% AMI shall comply with the following affordability periods

Rental & Homeownership Affordability Periods

Rental Housing Activity	Minimum Period of Affordability
Rehabilitation or acquisition of existing housing per unit amount of funds Under \$15,000	5 years
\$15,001 to \$40,000	10 years
Over \$40,000 or rehabilitation involving refinancing	15 years
New Construction or acquisition of newly constructed housing	20 years

Homeownership Assistance amount per unit	Minimum Period of Affordability
Under \$25,000	Grant Repayable to City if home is sold within first 5 years
\$25,001 to \$50,000	10 years 570.503(b)(8)(i) “ <i>Reversion of assets</i> ” requires an additional 5 years for a total affordability period of 15 years

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- ❖ **Housing Rehabilitation Standards:** Upgrading substandard single- family residential owner-occupied homes by correcting housing deficiencies and addressing items deemed essential for basic health, safety, and welfare. All work shall meet 2006 International Building Code (IBC), 2006 Uniform Plumbing Code (UPC), 2006 Uniform Mechanical Code (UMC), 2005 National Electric Code (NEC) and the 2006 International Energy Conservation Code. New codes will automatically become effective when adopted by the city of Las Vegas Building and Safety Department. It is anticipated that rehabilitation work performed on abandoned or foreclosed homes acquired with NSP funds will be limited to approximately 5% of the home's value.
 - **Eligible rehabilitation activities include but are not limited to:**
 - Roofing
 - Mechanical
 - Electrical
 - Plumbing
 - Insulation (minimum code requirement)
 - Doors (includes hardware)
 - Windows (reglazing, frames, handles and cranks, replace existing windows with dual pane, low e, energy efficient type)
 - Floor Covering
 - Wall Repair (drywall and plaster)
 - Counter Tops and Cabinetry
 - Debris Removal (includes tree removal if necessary)
 - Replacement of appliances to include stove and refrigerator, with Energy Star rated appliances when applicable (allowed per Fed. Reg. Vol 73, No. 194, P. 58338)

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FY 2008 Income Limits Summary

Las Vegas-Paradise, NV MSA

FY 2008 Income Limit Area	<u>Median Income</u>	FY 2008 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Las Vegas-Paradise, NV MSA	\$63,900	<u>Extremely Low (30%) Income Limits</u>	\$13,400	\$15,300	\$17,250	\$19,150	\$20,700	\$22,200	\$23,750	\$25,300
		<u>Very Low (50%) Income Limits</u>	\$22,350	\$25,550	\$28,750	\$31,950	\$34,500	\$37,050	\$39,600	\$42,150
		<u>Low (80%) Income Limits</u>	\$35,750	\$40,900	\$46,000	\$51,100	\$55,200	\$59,300	\$63,350	\$67,450
		<u>Middle (120%) Income Limits</u>	\$53,700	\$61,350	\$69,000	\$76,700	\$82,800	\$88,950	\$95,100	\$101,200

NOTE: Las Vegas-Paradise, NV MSA contains Clark County, NV.

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D. Low Income Targeting

- ❖ *Estimated amount of NSP funds to be appropriated for housing individuals or families whose incomes do not exceed 50% AMI.*
 - The city will obligate HUD and State NSP allocations in the amount of **\$5,193,817** to purchase and rehabilitate abandoned or foreclosed homes for the purpose of providing affordable rental housing to households earning at or below 50% AMI.
[\$3,693,817 – HUD] [\$1,500,000 – State]

E. Acquisitions & Relocation

- ❖ *Estimate the number of low – and moderate-income dwelling units reasonably expected to be demolished or converted as a result of NSP assisted activities.*
 - No housing currently serving the needs of households earning at or below 80% AMI are expected to be demolished or converted as a result of NSP assisted activities.
- ❖ *Estimate the number of NSP affordable housing units to be made available to households earning at or below 120% AMI by each NSP activity. [272 total units]*
 - Homebuyer Assistance (**\$7,349,459**)
While the program will provide up to \$50,000 of assistance, it is anticipated that each household will need an average of \$30,000 in homebuyer assistance such that approximately **245 housing units** will be made available to households earning up to 120% AMI. Any funds not used in a timely manner for this program will be allocated to the Lease to Own or Scattered Site Housing programs.
[\$4,301,963 – HUD] [\$1,047,496 – State] [\$2,000,000 - State Pilot]
 - Lease to Own Program – (**\$5,349,456**)
At a purchase price and rehabilitation cost of \$200,000 per house (median re-sale home price is \$210,000) approximately **27 housing units** will be made available to households earning up to 120% AMI. Any funds not used in a timely manner for this program will be allocated to the Homebuyer Assistance or Scattered Site Housing programs.
[\$4,301,962 – HUD] [\$1,047,494 - State]
- ❖ *Estimate the number of dwelling units expected to be made available to households earning at or below 50% AMI by each NSP activity. [26 total units]*
 - Scattered Site Housing for Low-Income – 50% AMI – (**\$5,193,817**)
The city will use NSP funds to purchase and rehabilitate homes, then partner with a non-profit and/or public agency to manage the units. At a purchase price and rehabilitation cost of \$200,000 per house (median re-sale home price is \$210,000), approximately **26 rental housing units** will be made available to households earning at or below 50% AMI including persons who have completed case management and progressed toward self sufficiency.
[\$3,693,817 – HUD] [\$1,500,000 – State]

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F. Public Comment

The Neighborhood Stabilization Program (NSP) was made available to the public through advertisement in local newspapers, placement at city community and senior centers and on the City's website at www.lasvegasnevada.gov on November 10, 2008 for a 15-day public review and comment period. The draft NSP was also made available in print form at the Neighborhood Services Department. In addition, a public comment meeting was co-hosted by Clark County and the cities of Las Vegas, North Las Vegas and Henderson on November 17, 2008. Each jurisdiction presented their Plan and answered questions as well as accepted written comments for consideration.

G. NSP Information by Activity (Complete for each Activity)

Activity Name and Total Budget

Homebuyer Assistance Program (\$7,349,459)

Activity Type

Qualifying individuals will receive financial assistance from the city of Las Vegas (City) toward mortgage buy down and/or down payment and/or closing costs up to a maximum of \$50,000. It is anticipated that on average each household will require \$30,000 of homebuyer assistance. HERA allows for the establishment of financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties, including such mechanisms as soft seconds, loan loss reserves and shared equity loans for low and moderate income homebuyers.

National Objective

Low and Moderate and Middle Income (LMMI) 24 C.F.R. 570.208(a)(2).

Program Duration

The Program will start March 1, 2009 and end June 30, 2013.

Responsible Organization

The City of Las Vegas will publish a Request For Proposal (RFP) making available NSP funds to non-profit agencies to operate the mortgage assistance program. The City of Las Vegas, Neighborhood Services Department will administer the NSP funds as related to the Homebuyer assistance program and oversee the agency/agencies operating the program.

Location Description

The program will be offered to households earning at or below 120% AMI who want to purchase an abandoned or foreclosed upon home as defined in the NSP within the following Zip Codes identified as Areas of Greatest Need: **89108, 89110, 89131, 89129, 89128, 89117, 89101, 89104 and 89107**

Activity Description

The Homebuyer Assistance Program will assist families purchase abandoned or foreclosed homes to reverse the trend toward disinvestment and deterioration of properties and property values within targeted neighborhoods impacted by a high percentage of foreclosures. Income qualified

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households will attain homeownership through fixed rate mortgages at a monthly payment that is affordable and appropriate for the household income (not to exceed 30% of household annual income). The household must invest a minimum of \$1,500 of personal funds or the equivalent of 3.5% of the home sales price consistent with FHA financing rules if the home purchase is to be financed through FHA. This program will serve households earning up to 120% AMI and is not designed to serve those earning at or below 50% AMI.

Tenure of Beneficiaries/Term of Assistance/Affordability Period

The beneficiaries of the program will be households earning up to 120% AMI who are capable of ownership. The homebuyer assistance will be offered one time in the form of a deferred loan for mortgage buy down and/or down payment and/or closing costs up to \$50,000 for a single home purchase. The deferred loan will be secured by a Deed of Trust in favor of the City of Las Vegas for a period of up to fifteen years. During the first five years the loan is repayable; however during years 6 through 15 the loan will be pro-rated and after the fifteenth year the deferred loan will automatically convert to a grant and all restrictions placed on the property through the receipt of the funding will terminate.

Discount Rate

Properties acquired through the Homebuyer Assistance Program will be discounted a minimum of 15% from the current appraised value based upon an appraisal by a certified appraiser completed not more than 60 days prior to the purchase date.

Range of Interest Rates

Loans must be 30 year fixed interest rates consistent with the banking industry's daily rate with points and fees corresponding to the borrower's FICA score. Under no circumstance will a variable rate loan be considered.

Total Budget

\$7,349,459 will be dedicated to the Homebuyer Assistance Program serving households earning up to 120% AMI. Funding not utilized in a timely manner for this program will be allocated towards the Lease to Own or Scattered Site Housing programs.

Performance Measures

The Homebuyer Assistance Program will serve households earning up to 120% AMI. Based on a projected average assistance per household of \$30,000 it is estimated that **245 households** will be able to attain homeownership through the purchase of an abandoned or foreclosed home and retain it for the affordability period stated above. The program allows for minor rehabilitation of homes up to a decent, safe, and habitable condition.

Activity Name and Total Budget

Lease to Own Program (\$5,349,456)

Activity Type

Purchase and rehabilitate (if required) foreclosed or abandoned residential properties and homes for the purpose of providing individuals who currently are unable to qualify for a mortgage loan the opportunity to lease the property for up to three years while working to correct the financial

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situations barring them from obtaining home mortgages. The lease agreement shall clearly state that the Lessee must either purchase the home at the end of the Lease to Own agreement period, renew the lease or be terminated from the program.

National Objective

Low, Moderate, and Middle Income (LMMI) - 24 C.F.R. 570.208(a)(2).

Program Duration

The Program will start March 1, 2009 and end June 30, 2013.

Responsible Organization

The City of Las Vegas will publish a Request For proposal (RFP) making available NSP funds to non-profit agencies to operate the Lease to Own program. The City of Las Vegas, Neighborhood Services Department will administer the NSP funds as related to the Lease to Own program and oversee the agency/agencies operating the program.

Location Description

The program will be offered to households earning at or below 120% AMI who want to eventually purchase an abandoned or foreclosed home as defined in the NSP but require time to repair their credit within the following Zip Codes identified as Areas of Greatest Need: **89108, 89110, 89131, 89129, 89128, 89117, 89101, 89104 and 89107**

Activity Description

The city will purchase and if necessary rehabilitate abandoned or foreclosed homes and select nonprofit agencies through the Request for Proposal (RFP) process to operate and manage the Lease to Own program in order to help potential homebuyers with incomes up to 120% AMI. The non-profits will provide a lease to purchase option to potential income-qualified homebuyers who are unable to qualify for a mortgage at that time. This program would help those who want to establish or improve their credit while they lease and live in the home of their choice. Program participants would be required to enroll in a HUD-certified credit counseling program and complete a minimum 8 hours of housing counseling. After 48 months, they must exercise their option to purchase the home by assuming the mortgage. Should the homebuyer be unwilling or unable to purchase the property at that time, the property will remain under city ownership and offered to another qualified homebuyer. The lease agreement shall clearly state that the Lessee must either purchase the home at the end of the Lease to Own agreement period, renew the lease or be terminated from the program.

Tenure of Beneficiaries/Term of Assistance/Affordability Period

Program beneficiaries earning up to 120% Area Median Income who desire home ownership but for various reasons require time to repair their credit and/or save for down payment and closing costs. It is estimated that the City will pay up to \$200,000 per abandoned or foreclosed home which includes the calculation of the 15% discount and rehabilitation costs up to the estimated 5% of home value to meet the Housing Rehabilitation Standards definition as denoted in Section C.

Discount Rate

Properties acquired for the Lease to Own Program will be discounted a minimum of 15% from the current appraised value based upon an appraisal by a certified appraiser completed not more than 60 days prior to the purchase date.

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Range of Interest Rates

Loans must be a fixed interest rate consistent with the banking industry's daily rate with points and fees corresponding to the borrower's FICA score. Under no circumstance will a variable rate loan be considered.

Total Budget

\$5,349,456 will be dedicated to the Lease to Own Program serving households earning up to 120% AMI. Funding not utilized in a timely manner for this program will be allocated towards the Homebuyer Assistance or Scattered Site Housing programs.

Performance Measures

The Lease to Own program will provide approximately **27 housing units** to households earning up to 120% Area Median Income. These households will repair their credit through participation in credit counseling classes; they will complete a minimum 8 hours of housing counseling and will have an opportunity to save for a down payment and closing costs in preparation for home ownership.

Activity Name and Total Budget

Scattered Site Housing Program (\$5,193,817)

[Housing for individuals and families whose incomes do not exceed 50% AMI]

Activity Type

Purchase scattered site abandoned or foreclosed properties (no more than two/three homes per identified neighborhood) for rehabilitation and contract with a non-profit and or public agency to manage and operate them as affordable rental housing to households at or below 50% Area Median Income including previously homeless persons who have completed case management and progressed toward self sufficiency.

National Objective

Low and Moderate Income (LMI) - -24 C.F.R. 570.208(a)(2).

Program Duration

The Program will start March 1, 2009 and end June 30, 2013.

Responsible Organization

The City of Las Vegas will be responsible for selecting, purchasing, owning, and rehabilitating the property and will then enter into an agreement with a non-profit and/or public agency to manage and operate the homes as affordable rental housing.

Location Description

The program will be offered to households earning at or below 50% AMI within the following Zip Codes identified as Areas of Greatest Need: **89108, 89110, 89131, 89129, 89128, 89117, 89101, 89104 and 89107**

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Activity Description

The City of Las Vegas will purchase abandoned or foreclosed homes, rehabilitate them and retain ownership. Through an agreement with the city, a non-profit and/or public agency will provide property management, market the properties, and enter into annual leases with households at 50% AMI. Rent revenue will be utilized to maintain the properties and cover the cost of the management fees.

Tenure of Beneficiaries/Term of Assistance/Affordability Period

The beneficiaries will be provided with one year renewable leases. The city will retain ownership of the housing for up to 15 years to ensure that the property is utilized as affordable rental housing for households at or below 50% Area Median Income.

Discount Rate

Properties acquired for the Scattered Site Housing Program will be discounted a minimum of 15% from the current appraised value based upon an appraisal by a certified appraiser completed not more than 60 days prior to the purchase date.

Range of Interest Rates

Not applicable

Total Budget

\$5,193,817 will be dedicated to the Scattered Site Housing Program serving households earning at or below 50% AMI.

Performance Measures

The City of Las Vegas will purchase and if necessary rehabilitate **26 abandoned or foreclosed homes** (with not more than 2 to 3 houses per neighborhood) for the purpose of providing affordable rental housing to households at or below 50% AMI including previously homeless persons who have completed case management and progressed toward self sufficiency for a period of at least 15 years. Following initial lease-up, at least 95% of the purchased homes will be occupied annually.

Activity Name and Total Budget

Professional Services and Non-Profit Assistance (\$1,000,000)

Activity Type

Provide Direct homeownership assistance through HUD-Certified counselors to those included in the activities involving homeownership as well as providing credit counseling, appraisals, building inspections, real estate brokers, and property management

National Objective

Low, Moderate and Middle Income (LMMI)-24 C.F.R. 570.208(a)(2).

Program Duration

The Program will start March 1, 2009 and end June 30, 2013.

2008–2009 Action Plan Substantial Amendment

Responsible Organization

City of Las Vegas
Department of Neighborhood Services
Attn: Tim Whitright
400 Stewart Avenue
Las Vegas, Nevada 89101
Telephone number: (702) 229-2330
Fax number: (702) 382-3045

The City of Las Vegas will be responsible for procuring the professional services delineated above and required to successfully administer the NSP activities. All services will be procured through a Request for Proposal (RFP) process.

Location Description

The activity will be utilized to provide professional services to assist in the implementation of other affordable housing activities within identified areas of greatest need including the Zip Codes **89108, 89110, 89131, 89129, 89128, 89117, 89101, 89104 and 89107**

Activity Description

The City of Las Vegas will enter into partnerships for the professional services provided above while satisfying the rules and regulations outlined in HERA. Appraisals and housing counseling are requirements of HERA. As the city is precluded from acting as a real estate agent or broker by the Nevada State Statutes, broker(s) must be procured through an RFP process.

Tenure of Beneficiaries/Term of Assistance/Affordability Period

Through the Request for Proposal process, the City of Las Vegas will procure all required professional services to expedite the NSP affordable housing activities for the period required by each activity. All agreements will terminate June 2013.

Discount Rate

Not Applicable

Range of Interest Rates

Not Applicable

Total Budget

\$1,000,000 of the NSP funding will be allocated for this activity. Funding not utilized in a timely manner for this program will be allocated towards the Homebuyer Assistance or Lease to Own or Scattered Site Housing programs.

Performance Measures

Approximately 298 houses will be appraised prior to purchase offers and 272 potential homebuyers will receive homeownership training through a certified HUD Counselor as part of the Homebuyer Assistance and Lease to Own programs. Additionally, approximately 53 units will be maintained and serviced through property managers for the Scattered Site Housing and Lease to Own programs.

APPENDIX - A

Homebuyer Assistance Program – Administration & Criteria

Program Description

Qualifying individuals will receive financial assistance from the city of Las Vegas (City) toward mortgage buy down and/or down payment and/or closing costs up to a maximum of \$50,000.

Homebuyer Eligibility

- Household income must be at or below 120% of Area Median Income (see **FY 2008 Income Limits Summary on page 11**)
- Must accept a deed restriction for up to 15 year term from the date of close of escrow; and
- Must occupy as principle residence for up to a duration of 15 year affordability period; and
- Applicant must not own another home or property; and
- Subleasing of the residence is prohibited;
- May not allow any liens or encumbrances on the property for up to 15 year eligibility period. For exceptions, see “Refinancing” paragraph below.
- A potential homebuyer must:
 - Secure a first mortgage, fixed interest rate loan;
 - Make a minimum investment of \$1,500 by the close of escrow; and
 - May not have total assets exceeding \$10,000 (excluding vehicles, subject property, furniture and fixtures, pension funds, 401(K) funds). Assets include, but are not limited to, checking accounts, savings accounts, money market accounts, bonds, stocks, mutual funds, boats, & motor homes, etc. The city of Las Vegas has determined that if an Individual Development Account (IDA) has been set up solely for the purpose of homeownership and is not accessible to the client until the close of escrow, these funds would not be counted as an asset when income qualifying a potential homebuyer.

Property Eligibility

Property to be purchased must meet all of the following criteria:

- Be an abandoned or foreclosed property located within the city of Las Vegas city limits.
- Be a single family home, condominium, or manufactured housing unit
 - Maximum purchase price must be at or below HUD’s 203(b) limit FHA Maximum Mortgage Limit and be discounted a minimum of 15% below appraised market value.
- Must be inspected by a licensed Housing or building Inspector. All identified problems must be rectified prior to close of escrow.

Program Reimbursement Costs

- Mortgage buy down, down payment and closing costs will be paid at close of escrow.
- Sub-recipient agency will receive a processing fee equal to \$1,800 for each client the sub-recipient successfully assists in purchasing a home through this Homebuyer program.

Recapture Provisions

- The Program will require a deferred loan period of up to 15 years for homebuyers receiving \$25,000 or more of assistance.
- Homebuyer will be required to repay the appropriate portion of the assistance provided according to the repayment schedule below if any one of the following occurs:

APPENDIX - A

Homebuyer Assistance Program (continued)

- Housing does not continue to be the principal residence of the homebuyer;
- Property owner has breached the terms of the program agreement; or
- The property is sold or title is otherwise transferred during the period of affordability.

Repayment Schedule

If the homebuyer sells the property within the first 5 years of purchase regardless of the amount of assistance received; the entire grant or loan amount will be deemed repayable to the city of Las Vegas. If the homebuyer received assistance in an amount greater than \$25,000 and sells the property after the 5-year period, the prorated repayment schedule below will be followed:

- thru the end of the 7th year (50% of loan amount)
- thru the end of the 9th year (40% of loan amount)
- thru the end of the 11th year (30% of loan amount)
- thru the end of the 13th year (20% of loan amount)
- thru the end of the 15th year (10% of loan amount)

The affordability period commences the day the deed is recorded at the Office of the County Recorder. At the end of the 15th year, repayment will not be required. The required recapture provisions will be enforced through the execution of a loan agreement between the city and the homebuyer, which will include the signing of a Promissory Note and a Deed of Trust.

Foreclosure

In the event the homeowner's property goes into foreclosure proceedings; the city will take all precautions necessary to ensure the program funds invested in the property are protected. The sub-recipient agency should also refer the homebuyer to a counseling agency and notify the City of the potential foreclosure situation. Should the homebuyer lose possession of the property through foreclosure, the City must be properly notified by a recorded Request for Notice in order for the City to be included in the division of net proceeds to satisfy the repayment of the program funds. This would essentially write off the loan. The homeowner will be required to acknowledge and agree that the city of Las Vegas will require repayment of the program funds from the net proceeds (if any) from the foreclosure sale, and this amount will satisfy the repayment of the program funds. The City will have the first right of refusal to purchase the home at the city's option.

Payoff

Should the homeowner repay the program funds invested in the property according to the repayment schedule, the homeowner shall issue a check to the City of Las Vegas in the amount of the program funding owed. The City will then execute a Substitution of Trustee and a Deed of Reconveyance and send this to the homeowner to record at the County Recorder's Office.

Refinancing

- Refinancing of an assisted property is allowable only to lower the interest rate and monthly payment on the first mortgage by a minimum of \$100 per month unless the program money is repaid to the City in the refinancing process.

APPENDIX - A

Homebuyer Assistance Program (continued)

The City of Las Vegas will not subordinate its position for other credit debt or loans which do not meet the criteria noted above. In addition, the City will not subordinate its position if the borrower is refinancing to “cash-out” their equity for any reason. The applicant must send a written request with supporting documentation to the City of Las Vegas Neighborhood Services Director explaining the reason for a subordination request. Additionally, the new refinanced amount must be at or below HUD’s 203(b) limit FHA Maximum Mortgage Limit. The processing of subordination agreements by the City may take up to four weeks to complete after receipt of a correctly formatted agreement. The City of Las Vegas will only approve one subordination request per year per applicant and only if it fulfills the requirements above. Applicants may refinance the property if the 18% Redevelopment Set-Aside funds are being paid back to the City in the process – see “Payoff” paragraph above.

Commitment of Funds

The city of Las Vegas will be responsible for awarding funds. Commitment of funds will be for a maximum period of 60 days. If escrow does not close within this period of time, the funding commitment will be rescinded. Homebuyer must sign this policy acknowledging that they have read, understand, and agree to its terms.

Educational Requirements

Each homebuyer musts complete 8 hours of HUD homebuyer training and counseling provided by a HUD Homebuyer Counselor certified by HUD. Evidence of the completion of such training and counseling shall be maintained by the Sub-recipient in the permanent record of each eligible applicant. In satisfaction of its obligation herein, the Sub-recipient may provide such training and counseling or allow the applicant to enroll in an existing program that addresses the concerns of homeownership, including but not limited to: Preparing for Home Ownership; Budgeting and Financing; Negotiating on a home; Understanding the Costs of a First and Second Mortgage; Obtaining a Mortgage; Costs of Home Ownership; Closing on a home; Responsibilities of Home Ownership; and Home Maintenance.

APPENDIX - A

Lease to Own Program - Administration & Criteria

Program Description

The city will purchase homes and select nonprofit agencies through the RFP process to operate and manage the lease to own program in order to help potential homebuyers with incomes up to 120% Area Median Income. The non-profits would offer a lease to purchase option to potential income-qualified homebuyers who are unable to qualify for a mortgage at that time. This program would help those who want to establish or improve their credit while they lease and live in the home of their choice. Program participants would be required to enroll in a HUD-certified credit counseling program and complete up to 8 hours of housing counseling. After 36 months, they have the right to exercise the option to purchase the home by assuming the mortgage. Should the homebuyer be unwilling or unable to purchase the property at that time, the property will remain under city ownership and be offered to another qualified homebuyer. The lease agreement shall clearly state that the Lessee must either purchase the home at the end of the Lease to Own agreement period or renew the lease or be terminated from the program.

Sub-recipient Responsibilities

The city will purchase abandoned or foreclosed upon homes at a 15% discount and complete any necessary rehabilitation work to ensure the home is in a decent, safe and habitable condition. The City of Las Vegas will select non-profit 501 (c)(3) sub-recipients to administer the program following a Request For Proposal (RFP) process. The sub-recipient will be the first point of contact for interested homebuyers and will be responsible for determining applicant eligibility. Each potential client will be provided with an informational packet that describes the program, their obligations, the sub-recipient's responsibilities, and a sample copy of the lease agreement which must be executed between the property owner (City of Las Vegas) and the potential lessee.

The sub-recipient will assist the client in setting up an Individual Development Account (IDA) with limited access enabling the client (potential homebuyer) to save additional funding for the home purchase, down payment and closing costs.

Funding

The city of Las Vegas will allocate \$5,735,000 of NSP funds to purchase homes for the Lease to Own Program.

Program Requirements

Qualifying households must be at or below 120% of Area Median Income (AMI).

Lessee Eligibility

In order to qualify for the program, a potential homebuyer must:

- Be employed but unable to secure a mortgage due to credit or other reasons;
- attend a minimum 8 hour homebuyer counseling program provided by a HUD-certified housing counseling agency;
- must agree to build a credit history acceptable to lending agencies,
- must be able to pay the lease payment pursuant to the Lease Agreement,

APPENDIX - A

Lease to Own Program (continued)

Recapture Provisions or Resale

A client who has completed the lease payments and began the purchase process must agree to the placement of a Deed of Trust on the property at close of escrow. The client/homebuyer will be required to repay the appropriate portion of the assistance provided according to the repayment schedule below if any one (1) of the following occurs:

- The housing does not continue to be the principal residence of the lessee.
- The property owner has breached the terms of the program agreement;

Repayment Schedule

If the homebuyer sells the property within the first five (5) years of purchase, the entire assistance amount will be deemed repayable to the City of Las Vegas. If the homebuyer sells the property after the five (5) year period, the prorated repayment schedule below will be followed:

- thru the end of the 7th year: 50%
- thru the end of the 9th year: 40%
- thru the end of the 11th year: 30%
- thru the end of the 13th year: 20%
- thru the end of the 15th year: 10%

The affordability period commences the day the deed is recorded at the Office of the County Recorder. At the end of the 15th year repayment will no longer be required.

The required recapture provisions will be enforced through the execution of a Loan Agreement between the sub-recipient and the homebuyer, which will include the signing of a Promissory Note and a Deed of Trust.

Foreclosure

In the event the homeowner's property goes into foreclosure proceedings; the sub-recipient agency will take all precautions necessary to ensure the program funds invested in the property are protected. The sub-recipient agency should also offer counseling to the homebuyer prior to entering into foreclosure. Should the Homebuyer lose possession of the property through foreclosure, the City must be properly notified by a recorded Request for Notice submitted in a timely manner in order that the City is included in the division of net proceeds from the foreclosure sale and this amount will satisfy the repayment of the program funds. The language requiring the program participant to acknowledge and agree that the City of Las Vegas will require repayment of the program funds from the net proceeds (if any) from the foreclosure sale and this amount will satisfy the repayment of the program funds will be included in the Agreement between the sub-recipient and client.

Payoff

Should the homeowner repay the program funds invested in the property; the homeowner shall issue a check to the City of Las Vegas in the amount of the program funding. The City will then execute a Substitution of Trustee and a Deed of Reconveyance and send this to the homeowner's title company.

APPENDIX - A

Lease to Own Program (continued)

Refinancing

Refinancing of an assisted property is allowable only to lower the interest rate and monthly payment on the first mortgage by a minimum of \$100 per month unless the program money is repaid to the City in the refinancing process.

The City of Las Vegas will not subordinate its position for other credit debt or loans, which do not meet the criteria noted above. In addition, the City will not subordinate its position if the borrower is refinancing to “cash out” their equity for any reason. In order to expedite refinancing the applicant must request the sub-recipient send a written request to the City of Las Vegas Neighborhood Services Director explaining the reason for a subordination request. Supporting documentation for the reason of the requested subordination must be included. Additionally, the new refinanced amount must be at or below HUD’s 203(b) limit FHA Maximum Mortgage Limit as determined by the City of Las Vegas. The sub-recipient must receive written consent to the subordination request from the Neighborhood Services Director or designee and will be responsible for informing the applicant that the processing of subordination agreements by the City may take up to four weeks after receipt of a correctly formatted agreement. The City of Las Vegas will only approve one subordination request per year per applicant, and only if it fulfills the requirements above.

Sub-recipient selection process

The city of Las Vegas will select sub-recipients to operate the Lease-to-Own Program through a Request for Proposal (RFP) process. Applications will be reviewed by a Technical Review Committee which will make recommendations and forward them to City Council to make the sub-recipient selections. Selected sub-recipients will market the properties, collect the lease payments and manage the properties. The sub-recipients will enter into lease agreements with qualified households earning up to 120% AMI at a rate not to exceed 30% of the household income. The lease revenue will be utilized to maintain the properties and cover the cost of the management fees.

APPENDIX - A

Scattered Site Housing Program - Administration & Criteria

Program Description

The Scattered Site Housing Program provides improved access to affordable rental housing to households at or below 50% Area Median Income (AMI). The Program allows families who are not prepared to enter into home ownership, but are capable of paying rent including previously homeless persons who have completed case management and progressed toward self sufficiency, to obtain stable and affordable rental housing. .

Sub-recipient Responsibilities

The city will purchase abandoned or foreclosed upon homes at a 15% discount and complete any necessary rehabilitation work to ensure the home is in a decent, safe and habitable condition. The City of Las Vegas will select non-profit 501 (c)(3) sub-recipient s to administer the program following a Request For Proposal (RFP) process. The sub-recipient will be the first point of contact for households interested in renting and will be responsible for determining applicant eligibility. Each potential client will be provided with an informational packet that describes the program, their obligations, the sub-recipient's responsibilities, and a sample copy of the rental agreement which must be executed between the property owner (City of Las Vegas) and the potential renter.

Eligible Persons

Scattered site rental housing may only be provided to individuals and families whose income is at or below 50% AMI including previously homeless persons who have completed case management and progressed toward self sufficiency. Incomes of participating tenants must be verified by the sub-recipient before assistance is provided and re-examined annually.

Eligible Units

Formerly abandoned and foreclosed upon homes acquired by the City of Las Vegas with NSP funds for the Scattered Site Housing Program within targeted Zip Codes. Units must meet Section 8 Housing Quality Standards (HQS). Inspections must be made at initial occupancy and annually during the length of tenancy. The Housing Quality Standards include a basic occupancy standard of two persons per living/sleeping area. All units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units and may not exceed 30% of the household income.

Procedures

The sub-recipient agency will advertise the program in a manner best suited to reach the target population to be served. Potential applicants must fill out an application in person at the sub-recipient agency or their designee office. Applicants must provide acceptable, third party verification of all sources of gross income (this should include employment, benefits, pensions, food stamps, etc), and all assets for the family for documentation of initial eligibility and interim re-examination of income as the household size, composition, and income changes. Provide copies of birth certificates and/or Social Security cards and picture ID, State of Nevada Medical cards with Children's social security number, as applicable for all persons who reside in the household.

APPENDIX - A

Scattered Site Housing Program (continued)

Subrecipient Responsibilities

The sub-recipient will screen and select potential program participants in accordance with the Selection Criteria and provide monthly reports indicating the number of individuals entering the program, along with all required demographic information; and conduct Housing Quality Standard Inspections prior to the tenant household occupying the unit.

Termination of Assistance

Any violation of the material provisions of the rental lease, income eligibility, or illegal activities will be cause for termination from the Program, in accordance with the provisions of the Program.

APPENDIX - B

Public Comment

Citizen Name: **Derek H. Johnson**

Email: dhj_128@yahoo.com

IP Address: 68.108.36.152

Comments: Cambria Hills is a neighborhood of 96 single family detached homes, with a community pool facility, located at the corner of Buffalo and Beach Bay in Las Vegas. We are just south of Vegas Drive, on the east side of Buffalo, in zip code 89128. I am HOA president, and Taylor Association Management is our HOA management company.

We have been hit hard by foreclosures and have a large number of vacant properties in our neighborhood. The exact status and ownership of some of these properties is often hard to determine, due to the chaotic condition of the mortgage finance and foreclosure markets. Many of the vacant homes show no signs that the current owners are taking any actions to maintain, repair, or get the properties in condition to sell or rent.

The Cambria Hills HOA is currently in good financial condition, with more than adequate reserve funds. The Board of Directors has been very vigilant over the past couple of years, as we saw a crisis approaching. We did not anticipate the current magnitude, but few people did. As the crisis worsens and our delinquencies rapidly increase, we are concerned about the long-term financial viability of our HOA. We need to get the vacant homes reoccupied by residents who can afford to stay and pay their HOA dues.

The Neighborhood Stabilization Plan could be of great assistance to our neighborhood. We should qualify for the program, since we are located within a zip code that has been identified as one of the highest in percentage of foreclosed homes (11% for zip code 89128). On behalf of the Board of Directors and our entire neighborhood, I would like to thank the City of Las Vegas for your efforts in pursuing this program and ask for your consideration of Cambria Hills as one of the beneficiaries. Thank you.

Date: 11/25/2008 3:26:36 PM

Citizen Name: **Bill Losch**

Email: blosch@lvccul.org

IP Address: 24.234.181.179

Comments: Forget my earlier comment ... just ran the numbers ... you're probably doing all you can do with the amount of funding you're getting.

Sorry,
Bill

Date: 11/18/2008 1:20:29 PM

APPENDIX - B

Public Comment

Citizen Name: Bill Losch

Email: blosch@lvccul.org

IP Address: 24.234.181.179

Comments: I do not know the extent of allowable expenditures under the HUD guidelines but it seems this plan will service just over 300 people. Based on the numbers you have provided you have over 8000 people in foreclosure or approaching foreclosure. This means serving approximately 4% of those in foreclosure. It also does not take into account the forecast numbers of new foreclosures over the next 2 years or those who will be impacted due to job loss.

Just seems like expensing \$20,000,000 to help this small a population may not have the desired impact or fulfil the intent of the HUD program.

My other concern is the plan seems to assume most housing will be in livable condition. There is no plan to bring houses that have been trashed when the residents left back to livable condition. This may be a better use and leverage of funds. It would also create employment opportunities.

Just a couple thoughts ... Best

Bill

Date: 11/18/2008 12:58:38 PM

Citizen Name: Kenneth Evans

Email: kcevans@mtedevelopment.com

IP Address: 24.234.65.182

Comments: Although I submitted my questions via City of Las Vegas website, please forward my questions to ALL the jurisdictions so they can consider and/or respond to them. Thank you.

Ken Evans
MTE Enterprises LLC
(702) 524-1529

Date: 11/24/2008 12:15:22 PM

APPENDIX - B

Public Comment

Citizen Name: **Kenneth Evans**

Email: kcevans@mtedevelopment.com

IP Address: 24.234.65.182

Comments: I have spoken to a few friends and associates that have mentioned concern that they are continuing to make their payments despite foreclosed homes around them that are bringing their equity position and their home value down. As a result, they are now "upside down" due to foreclosed homes around them. While I realize the immediate concern is to mitigate amount of foreclosed homes, has anyone given consideration in terms of subsidizing the home values in entire neighborhoods where foreclosures have current homebuyers in an "upside down" situation regarding thier equity position and/or home property values? If this is not addressed in mid-term to long term timeframe, NSP may have effect of breeding resentment between current homebuyers and future "NSP subsidized" homebuyers. Hope I explained this clearly enough.

Date: 11/24/2008 12:12:20 PM

Citizen Name: **Kenneth Evans**

Email: kcevans@mtedevelopment.com

IP Address: 24.234.65.182

Comments: May I get a copy of each presenter's Powerpoint slides? Adobe format or Powerpoint format is fine. Thank you.

Date: 11/24/2008 12:02:12 PM

Citizen Name: **Kenneth Evans**

Email: kcevans@mtedevelopment.com

IP Address: 24.234.65.182

Comments: In the interest of making sure that this program does not have homebuyers repeat the mistakes of the past; will there be a restriction on the types of mortgage products that homebuyers that participate in purchases partially underwritten by this program use? Specifically, will homebuyers be required to use FIXED rate mortgage products so they know upfront what their mortgage payment will be over the life of the loan?

Date: 11/24/2008 12:00:21 PM

APPENDIX - B

Public Comment

Citizen Name: **Kelly Harney**

Email: kellyharney2000@yahoo.com

IP Address: 24.234.150.69

Comments: I feel that with the proper structure this plan would be great. I would love to be able to see if I may qualify. There are many hard working singles and families here in Clark County, who are renters and deserve to be home owner, I feel that I am one.

Date: 11/19/2008 5:13:06 PM

Citizen Name: **Candi Marshall**

Email: marscandi@cox.net

IP Address: 68.227.21.139

Comments: Unfortunately, I don't believe that the \$14,775,270 emergency assistance for the redevelopment of foreclosed homes will make a noticeable difference to the depressed housing market in Las Vegas.

I am a full time Realtor with RE/MAX working on the front lines of the housing crisis. If used to purchase foreclosed properties, the emergency money may salvage 80-100 homes depending on the price they are purchased at. What it may provide is a secure place for 80-100 foreclosure victims to rent should the city decide to turn the properties into rentals.

The other thing is, home values are still on a downward free fall. A 15% discount today could be still upside down tomorrow.

What I don't think most people realize is the magnitude of this crisis and how long into the future it's going to stay with us. What we are experiencing now is the fall out of the sub prime loans. What is to come is even greater than that...the prime loans.

The prime loan was the highest loan product sold during the peak of the boom in 2005-2006. These were also known as the 80/20 loan, which were 100% financed at a "locked" adjustable, interest only for 5 years.

These loans will start adjusting in 2010 and carry through 2011. No one with a prime loan will be able to refinance, as they will be "significantly" upside-down when the notes become due.

Another part to the equation that we mustn't forget is the HELOC loans that are beginning to default. Think about all those people who purchased their homes long before the boom but have since took out equity. Those loans, like the sub-prime are adjustable rate loans on 5 to 10 year notes.

What is happening today is no different than what happened during the Great Depression when the Federal Reserve and the Central bank manipulated the monetary system by lowering interest rates and creating massive easy money loans to the general public.

APPENDIX - B

Public Comment

This created a boom that was only later meant to crash. The banks did this knowingly, that when the notes were to be called due, the majority would not be able to re-pay the debt and the banks capitalized on that.

I see what is happening and I see the manipulation of the banks. Our city needs to look at the big picture and prepare accordingly. Fifty-six percent of Las Vegas homeowners are upside down in their home. That number is expected to reach as high as 85-90% before its all said and done.

Construction is dying, small businesses are failing, and our unemployment is expected to reach 10% by 2010 while our tourism is sure to follow the downward decline.

What if our boomtown and its 2.6 million people going to do if this town goes bust? Could that be a real possibility? That is the question we must consider. I am an optimist by nature but also s realist. I don't think that the city purchasing foreclosed homes is going to be wise use of the money.

The money would be better used and far more reaching if it were used for down payment assistance programs to buyers who can purchase those foreclosed homes. Just the same it can be used to purchase some of the nearly 8,000 short sales on the market which will inevitably become....more foreclosures.

I hope that the city will take careful consideration in this matter.

Respectfully,
Candi Marshall
RE/MAX Excellence

Date: 11/18/2008 5:40:13 PM

Michele Johnson

Please direct the following comments to Clark County, City of Las Vegas, City of North Las Vegas and the City of Henderson.

To ensure that there is quality delivery of counseling and education services to the residents of Clark County by unbiased neutral housing counselors and educators, all such personnel shall obtain and maintain a Certified Housing Counselor designation, with such certification obtained by an accredited independent third party.

Michele Johnson
President / CEO
CCCS
2650 South Jones
Las Vegas, NV 89146
702.364.0344
702.364.5836

Wed 11/19/2008 4:37 PM

APPENDIX - B

Public Comment

Citizen Name: **ALICIA TAYLOR**

Email: MSOLUTIONS101@AOL.COM

IP Address: 70.173.15.84

Comments: How can I go about applying for grant funds to administer to home owners for the purpose of purchasing foreclosures, short sales and abandoned homes in the appropriate zip codes? I have a non profit organization "Homeownership Initiative Foundation" which was founded to administer down payment assistance to qualified borrowers in need.

Date: 11/19/2008 11:41:32 PM

Citizen Name: **Sheila Scarborough**

Email: scarboroughsheila@yahoo.com

IP Address: 68.227.37.185

Comments: The idea to purchase the homes and then lease them to low income families is a good idea...consider also those individuals who provide a stable presence in the neighborhood such as CCSD teachers, Metropolitan police department staff, UMC hospital staff, etc.

Date: 11/18/2008 8:25:34 PM

Citizen Name: **Seville Summit-Gerhardt**

I previously read in a news article that 70 mil. would be released in February, 2009 in the efforts to offer assistance to the Neighborhood Rehabilitation Program. During the process of my inquiry I was informed that you would be the primary contact person for this project.

If applicable, I would like to be on your list of realtors for the Neighborhood Rehabilitation Program. Nevertheless, I would like to meet with you, at your convenience to further discuss the possibilities of offering my professional services as a Real Estate Realtor.

I look forward to meeting with you in the near future. Please contact me if you have further questions.

Seville Summit-Gerhardt

Residential Sales Executive

Prudential Americana Group, REALTOR

8337 W. Sunset Road, Suite #150

Las Vegas, Nevada 89113

Cell: (702) 563-7367

Off: (702) 734-5555

Fax: (702) 317-3573

Email: Seville_Summit@msn.com

www.openhousecaddie.com

Mon 11/17/2008 4:13 PM

APPENDIX – C

Certifications

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds ≤ 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

APPENDIX – C

Certifications

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Stephen K. Harsin, AICP
Director Neighborhood Services

Date

APPENDIX – D

City Council Approval

Agenda Item No.: 56.

AGENDA SUMMARY PAGE

CITY COUNCIL MEETING OF: NOVEMBER 19, 2008

DEPARTMENT: NEIGHBORHOOD SERVICES

DIRECTOR: STEPHEN K. HARSIN Consent Discussion

SUBJECT:

Discussion and possible action regarding the City of Las Vegas Neighborhood Stabilization Plan (NSP) that secures \$14,775,270 of NSP funds from the Department of Housing and Urban Development (HUD) and \$5,920,349 of NSP funds through the State of Nevada for a total of \$20,695,619 – All Wards

Fiscal Impact

No Impact Augmentation Required

Budget Funds Available

Amount: \$20,695,619

Funding Source: Federal NSP, State of Nevada NSP

Dept./Division: Neighborhood Services/Neighborhood Development

PURPOSE/BACKGROUND:

Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA) appropriated \$3.92 billion nation wide for emergency assistance for abandoned and foreclosed homes. This program is referred to as the Neighborhood Stabilization Program (NSP). In order to receive the \$20,695,619 allocation through the NSP, the City of Las Vegas must submit a Substantial Amendment to its Fiscal Year 2008-2009 Action Plan to HUD by December 1, 2008. This Substantial Amendment outlines the NSP eligible programs and strategies as proposed by the City.

RECOMMENDATION:

Staff recommends approval of the Substantial Amendment to the City of Las Vegas Third Program Year Action Plan 2008-2009 Neighborhood Stabilization Plan and authorizes the Director of Neighborhood Services to submit the plan to HUD and execute all related documents upon approval as to form by the City Attorney.

BACKUP DOCUMENTATION:

2008-2009 Action Plan Substantial Amendment

Motion made by GARY REESE to Approve as recommended

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN,
GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None);
(Did Not Vote-None); (Excused-None)